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TAFOYA CONVICTED, WIFE ACQUITTED ON TAX FRAUD CHARGES
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Eugene Tafoya was convicted by a federal jury Wednesday of failing to report as income thousands of dollars he earned by performing covert activities for former CIA agent Edwin Wilson.

Tafoya's wife, Betty Jo, who was acquitted Wednesday of the tax fraud charges, cried as her husband's verdict was read. Tafoya faces up to six years in prison.

"I thought we had a chance," said Tafoya's attorney, John Barrett. "I think they convicted him of being a spy."

The couple had been charged with underreporting their income for 1980 and 1981, when they listed their total income as \$14,000, none of it from Wilson.

Prosecutors in the U.S. District Court trial contended Tafoya made at least \$88,000 in unreported income by performing covert work for Wilson, who since has been convicted of smuggling arms and weapons to Libya.

Tafoya, a former Green Beret who worked for Wilson in Libya, contended he received only "penny-for-penny" reimbursements for expenses _ not salary _ along with some cash gifts or loans.

Jurors had asked earlier Wednesday to rehear some portions of Tafoya's testimony about his appearance in a Colorado trial where he was convicted of misdemeanor assault for shooting a dissident Libyan student twice in the head.

In that trial, Tafoya had testified he received "income" for the shooting and complained that Wilson had stiffed him on the fee.

During the tax trial, he testified that the \$3,000 cash Wilson paid him for the shooting was strictly for out-of-pocket expenses.

Several prosecution witnesses testified that Wilson funneled money to Tafoya from Libyans to pay for the Colorado shooting.

Tafoya is appealing the Colorado conviction, for which he was sentenced to two years in prison. He also faces charges filed after a 1979 car bombing incident in Kitchener, Ontario.

"He's not a ruthless man like those old prosecutors said," she told reporters. "My husband had said he'd be the one convicted and I'd be the one to walk free."

"I can't remember feeling so bad when I won a case," said her attorney, Bill White of Austin.

Tafoya had the judge poll members of the jury, who had deliberated 10 hours over two days. All the panel members answered a simple "yes" to the guilty verdict, except one woman who added, "But I'm not happy with it."